

**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop Additional
Methods to Implement the California Renewables
Portfolio Standard Program.

R. 06-02-012
(Filed February 16, 2006)

**PRE-WORKSHOP COMMENTS OF BEAR VALLEY ELECTRIC SERVICE (U 913-E)
ON SB 1036 IMPLEMENTATION**

May 9, 2008

Tracey Drabant
Energy Resource Manager
Bear Valley Electric Service
42020 Garstin Drive
Big Bear Lake, California 92315
Telephone: (909) 866-4678
Facsimile: (909) 866-9852
E-mail: traceydrabant@bves.com

**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop Additional
Methods to Implement the California Renewables
Portfolio Standard Program.

R. 06-02-012
(Filed February 16, 2006)

**PRE-WORKSHOP COMMENTS OF BEAR VALLEY ELECTRIC SERVICE (U 913-E)
ON SB 1036 IMPLEMENTATION**

On May 1, 2008, the Commission's Energy Division circulated a "Request for Pre-Workshop Comments Regarding SB 1036 Implementation" (Energy Division Comment Request). As directed by the Energy Division Comment Request, Bear Valley Electric Service (BVES) Pre-Workshop Comments have been served on the electronic service lists in R.06-02-012 (RPS) and R.06-05-027 (RPS) on May 9, 2008.

I. Introduction

BVES respectfully submits the following pre-workshop comments in response to the Document issued by the California Public Utilities Commission, Energy Division, entitled "Request for Pre-Workshop Comments Regarding SB 1036 Implementation."

II. Background Information on BVES

Golden State Water Company is an investor-owned utility that, through its Bear Valley Electric Service division, owns and operates an electric distribution utility system that provides retail electric service to about 24,000 customers in a service area in the Big

Bear Lake area of San Bernardino County, California. BVES provides electric service in a resort community, primarily to residential customers, but also to about 1,500 commercial, industrial, and public authority customers, including two ski resorts. The summer peak load in its service area is about 23 MW, and the winter peak load is about 39 MW when snowmaking machines at the ski resorts are operating and tourist activity is high.

III. Above Market Funds (AMF)

According to Resolution E-4160, the Commission will address the following issues concerning AMF:

- 1) Establishment of the total cost limitation for above-MPR costs each utility can expend on the procurement of eligible renewable energy resources;
- 2) Methodology for an AMF Calculator for the calculation of AMFs requests and the tracking of approved AMFs requests;
- 3) Eligibility criteria for power purchase agreement costs that may be applied to the cost limitation;
- 4) Reasonableness standards for reviewing above-MPR contract costs; and
- 5) Administration rules for AMFs.

IV. BVES Comments

The AMF calculator circulated by ED with its request for pre-workshop comments was designed for PG&E, SCE and SDG&E. The calculator contemplates several renewable contracts making use of AMF. The AMF calculator input tab does not have an option for a utility name other than PG&E, SCE and SDG&E.

Resolution E-4160 has allocated \$213,000 for AMFs for BVES customers through 2007. Furthermore, the amount of above market funds eligible for renewable projects in the future is \$27,160 a year¹. BVES' 20% renewable requirement in 2010 is about 30,000

¹ This figure represents the amount of the funds that would have been collected if the BVES contribution to the Supplemental Energy Payment program had continued; Resolution E-3856 authorized BVES to continue to collect funds for public purpose programs related to research and development and renewable resource technologies: \$56,000 for RD&E and \$56,000 for renewable programs, 48.5% of \$56,000=\$27,160.

MWh. Thus, the entire AMF allowance would buy down about \$7.1/MWh in one year, and would add about \$.91/ MWh in subsequent years.

BVES requests that the Energy Division, other parties, and the Commission make the provisions for SB 1036 compliance for BVES simple and recognize that there is only a small amount of money to consider.

BVES requests the following:

1. Energy Division prepare a simplified AMF calculator for use by BVES that contemplates only one renewable project.
2. BVES will use the ED prepared AMF calculator in its first renewable contract application.² BVES is very likely to use all of its AMF funds with its first application for approval of a renewable contract.
3. Once BVES has used its AFM funds, there is no longer a need to track and report AMF funds or issues.

V. CONCLUSION

BVES appreciates this opportunity to provide its input on the issues of AMF eligibility and RPS contract reasonableness review.

May 9, 2008

Respectfully submitted,
/s/ TRACEY DRABANT
Tracey Drabant
Energy Resource Manager
Bear Valley Electric Service
42020 Garstin Drive
Big Bear Lake, California
92315
Telephone: (909) 866-4678
Facsimile: (909) 866-9852
E-mail: traceydrabant@bves.com

² The ALJ Simon PD dated April 25, 2008, in R.06-02-012, requires BVES to file an application for approval of contracts since BVES has a \$77/MWh cap.

CERTIFICATE OF SERVICE

I, Ronald Moore, am over the age of 18 years and employed in the City of San Dimas and County of Los Angeles. My business address is 630 East Foothill Blvd, San Dimas, California 91773.

On May 9, 2008, I served the within document **PRE-WORKSHOP COMMENTS OF BEAR VALLEY ELECTRIC SERVICE ON SB 1036 IMPLEMENTATION**, in R.06-02-012, with prescribed electronic service pursuant to Rule 1.10 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Energy Division's Request for Pre-Workshop Comments, on the service lists in R.06-02-012 and R.06-05-027, and same-day, separate delivery by U.S. Mail of hard copies to Assigned Commissioner Peevey and Assigned ALJs Simon and Mattson, at San Francisco, California.

Executed on May 9, 2008, at San Dimas, California.

/s/ RONALD MOORE
Ronald Moore